

**MEMO# 9534**

December 19, 1997

## **WTO FINANCIAL SERVICES AGREEMENT REACHED**

[9534] December 19, 1997 TO: BOARD OF GOVERNORS No. 66-97 INTERNATIONAL MEMBERS No. 17-97 RE: WTO FINANCIAL SERVICES AGREEMENT REACHED

On December 13, 1997 the US and its trading partners reached an agreement on a financial services package that will help open global markets in financial services. Under the agreement the US committed to maintain its open market in financial services and other countries, including many emerging market countries, made commitments to open their markets to foreign firms. Throughout the negotiations the Institute worked closely with US negotiators from the Department of the Treasury and the Office of the United States Trade Representative to assure that the specific countries and barriers of most concern to Institute members would be covered in the negotiations. While the agreement reached last week does not achieve all of the Institute's objectives, it represents a significant step forward in the efforts to open asset management markets around the world. A number of emerging market countries in Asia, Latin America, Africa and Eastern Europe have committed to permit foreign firms to establish wholly-owned asset management subsidiaries. Some emerging market countries also made liberal commitments to provide cross-border access to their asset management industries, although, in general, cross-border supply of financial services was not a major focus of these negotiations. The Institute will continue to work with US government officials on the issues that were not resolved in this negotiation. Attached are summaries of the asset management features of key country offers and a copy of the statement the Institute issued at the conclusion of the negotiations. Mary S. Podesta Associate Counsel - International Attachments (in .pdf format)